
Flesh, Cindy ABR:EX

From: Flesh, Cindy ABR:EX
Sent: Wednesday, March 28, 2012 10:15 AM
To: 'Nichols, Trudy'
Subject: RE: Tuesday May 23, 2012 meeting with Minister Polak

Thanks Trudy – much appreciated

Cindy Flesh
Administrative Coordinator
to the Honourable Mary Polak
Minister of Aboriginal Relations and Reconciliation
250-387-6651
250-953-4846 FAX

From: Nichols, Trudy [mailto:Trudy.Nichols@kindermorgan.com]
Sent: Wednesday, March 28, 2012 10:01 AM
To: Flesh, Cindy ABR:EX
Cc: Galarnyk, Andy
Subject: RE: Tuesday May 23, 2012 meeting with Minister Polak

Morning Cindy, thank you for your email. As requested by Minister Polak, Ian Anderson is available to meet on May 23rd @ the proposed time of 10:15 a.m. PDT. Topic for discussion is expansion plans for Trans Mountain and approach to First Nation engagements. No one else will be accompanying Ian at this meeting.

Should you have any questions, don't hesitate to contact me.

Trudy Nichols
Executive Assistant to President
Kinder Morgan Canada Inc.
Suite 2700, 300 - 5th Avenue S.W.
Calgary, AB T2P 5J2
Direct Line: 403. 514.6432
Email: trudy_nichols@kindermorgan.com

From: Flesh, Cindy ABR:EX [mailto:Cindy.Flesh@gov.bc.ca]
Sent: Tuesday, March 27, 2012 2:28 PM
To: Nichols, Trudy
Subject: Tuesday May 23, 2012 meeting with Minister Polak

Hello Trudy – here is an email confirmation of the meeting with Minister Polak – could we please change the time from 10:30-11:00 to 10:15-10:45 – meeting to take place at Suite 740 999 Canada Place Vancouver – could you please send me a list of attendees and confirm topic of discussion as soon as possible – the meeting area requires names of all attendees for security purposed and helps me to ensure correct size of meeting room is obtained – thanks for your assistance with this request and please let me know if I can be of any assistance.

Cindy Flesh
Administrative Coordinator
to the Honourable Mary Polak
Minister of Aboriginal Relations and Reconciliation

From: Nichols, Trudy [Trudy_Nichols@kindermorgan.com]
Sent: Thursday, April 12, 2012 11:25 AM
Subject: Trans Mountain Pipeline Expansion Announcement
Attachments: 12 04 12 TMPL Expansion Backgrounder.pdf; Trans Mountain Pipeline Expansion Media Release April 12 12 12.pdf

Importance: High

Categories: FYI/FILE

On Behalf Of
Ian Anderson President,
Kinder Morgan Canada

By way of this email and our previous initiatives to keep you informed on our proposed plans for expansion, today we issued a media release (attached) announcing next steps in our plans to expand our Trans Mountain pipeline system. We had compelling commitments from our commercial customers in our Open Season for expanding the existing System to access growing markets.

These are binding commitments for a 20 year term that will result in a proposed project to expand the pipeline from its 300,000 bbl per day capacity to day to 850,000 bbls per day.

The next key steps will include:

- An 18 – 24 month extensive and thorough engagement program with stakeholders and First Nations/Aboriginal groups, (including related environmental and socio-economic and detailed engineering and design)
- A facilities application filing to the National Energy Board (NEB) in 2014.
- Pending approval by the NEB, construction will commence in 2016 with new line anticipated to be in service by 2017.
- Preceding the facilities application, we will file a tolling application to the NEB seeking their approval on how customers will be charged for moving product through the expanded pipeline.

Also attached please find a copy of the background document that contains information on the:

- size and scope of the planned expansion; and
- major next steps in our process.

More information on our plans will be forthcoming and we look forward to keeping you apprised as our plans unfold.

Should you require additional information, please contact: andy_galarnyk@kindermorgan.com or 403 514-6536.

Sincerely

Ian Anderson, President
Kinder Morgan Canada

BACKGROUND – APRIL 12, 2012

The Trans Mountain Pipeline System was first built in 1952. Since that time, the pipeline capacity has been increased a number of times by twinning parts of the line and adding associated facilities. On April 12, 2012 Kinder Morgan Canada announced it will proceed with its proposed plans to expand the existing Trans Mountain system following receipt of strong commitments from its commercial customers.

PROPOSED EXPANSION PROJECT

The preliminary scope of the project includes:

- Projected capital cost \$5.0 billion
- Twinning the existing pipeline within the existing right-of-way where possible, minimizing Greenfield construction
 - Expanding to result in a dual line operation:
 - Legacy (existing) line for refined products, iso-octane, synthetic crude oils, light crude oils
 - Heavy oil line
- Adding new pump stations along the route
- Additional storage capacity
- Expanding Westridge Marine Terminal
- Increasing capacity between Burnaby Terminal and Westridge Marine Terminal

BY THE NUMBERS

- Existing Trans Mountain Pipeline was built in 1952 and is 1,150 kms
- Over 2,200 landowners
- Over 20 Municipal and Local Governments
- Over 80 First Nation and Aboriginal groups interests
- Approximately 890 km of new pipeline for the proposed expansion project
- Almost 30 per cent of system has been previously expanded through twinning the pipeline; most recent was the award winning Anchor Loop in 2008
- Current capacity of the Trans Mountain Pipeline system is 300,000 barrels per day
- Expansion will increase the capacity to 850,000 barrels per day

KEY PIPELINE COMMUNITIES

All communities along the proposed route, the existing line and marine corridors within British Columbia and Alberta.

NEXT STEPS

Late Spring/Early Summer 2012:	Meetings and discussions with regulators to the define process and determine federal, provincial and regulatory requirements needed for the facilities application.
June 2012 to Fall 2013/Spring 2014:	<ul style="list-style-type: none"> • Commence open and transparent First Nation/Aboriginal groups, landowner and stakeholder engagement. • Undertake comprehensive pipeline routings, traditional knowledge studies, environmental and socio economic assessments.

BACKGROUND – APRIL 12, 2012

Summer 2012:	Preceding the facilities application Kinder Morgan Canada will file a tolling application that outlines the Company's proposed tolling structure for its customers. This will not be an approval for the project but is intended to have the National Energy Board endorse/approve how the Company will charge its customers for moving product through the proposed pipeline.
2014:	File a comprehensive facilities application with the National Energy Board initiating a regulatory project review.
2016:	Pending approval, construction to commence.
2017:	Proposed project to commence operating.

WITH OUR COMMITMENT TO OPEN AND TRANSPARENT ENGAGEMENT, WE:

- Believe thoughtful, factual and open minded engagement at the community level is critical to the project's design and our decision making process.
- Value the input and advice from local interests to be critical to our planning.
- Respect the relationships we have built with communities interested in our business.
- Will undertake an 18 to 24 month open, extensive and thorough engagements on all aspects of the proposed project along the route and marine corridor with local communities, Aboriginal groups, environmental organizations and all other interested parties and citizens commencing this summer (2012).

COMMITMENT TO SAFETY

- The pipeline industry's safety record is first class compared to any other way to move large quantities of energy that people need and use every day.
- Kinder Morgan Canada and its predecessor companies have safely and efficiently operated a critical piece of British Columbia's energy infrastructure for almost 60 years.
- The stringent regulations and requirements of Transport Canada, Port Metro Vancouver and other regulators ensure that oil tankers navigate local waters safely. Kinder Morgan Canada also has stringent requirements for vessels coming to our marine facility.
- All tankers in local waters are double hulled, guided by BC Coast Pilots, and recent Port Metro Vancouver led changes have benefited all local marine traffic by improving navigation safety.

FOR MORE INFORMATION:

If you would like further information please email: tmx@kindermorgan.com.



TRANS MOUNTAIN EXPANSION RECEIVES STRONG BINDING COMMERCIAL SUPPORT

Customers Submit Binding Bids for 660,000 Barrels per Day Next Steps - Extensive Engagement and Regulatory Review

CALGARY, April 12, 2012 – Kinder Morgan Energy Partners, L.P. (NYSE: KMP) today announced it will proceed with its proposed plans to expand the existing Trans Mountain pipeline system following the receipt of strong binding commitments through the recently concluded open season. A diverse group of existing and new shippers submitted 660,000 barrels per day (bpd) of binding commercial support for the open season. All commitments are for a 20-year term. When completed, the proposed expansion will increase capacity on Trans Mountain from the existing capacity of 300,000 bpd to 850,000 bpd.

“We are extremely pleased with the strong commercial support that we received through the open season, which reinforces the appeal of our project and our approach,” said Ian Anderson, president of Kinder Morgan Canada. “This strong commercial support shows the market’s enthusiasm for expanding market access for Canadian crude by expanding an existing system.” This support from the market better defines the project and enables Kinder Morgan Canada to fully engage the local communities.

“We are still early in the engagement process of the project,” Anderson said. “We share respectful, open relationships with many communities and organizations interested in our business. We are committed to an 18 to 24 month inclusive, extensive and thorough engagement on all aspects of the project with local communities along the proposed route and marine corridor, including First Nations and Aboriginal groups, environmental organizations and all other interested parties. We will also consider providing financial support to local communities for environmental initiatives. We have been planning for this day for many years and we are keen to start in depth engagement this summer.”

The preliminary scope of the proposed project includes:

- Projected capital cost of approximately \$5 billion.
(more)

- Twinning the existing pipeline within the existing right-of-way, where possible.
- Adding new pump stations along the route.
- Increasing the number of storage tanks at existing facilities.
- Expanding the Westridge Marine Terminal.

Anderson added, “We anticipate filing a facilities application initiating a regulatory review with the National Energy Board in 2014. If our application is approved, construction is currently forecast to commence in 2016 with the proposed project operating by 2017.”

In addition to extensive engagement, the company will conduct traditional land use and environmental and socio-economic studies, and undertake detailed engineering and design studies.

Preceding a facilities application, the company will file a commercial tolling application to review the company’s proposed commercial structure for the expansion. This filing, which is anticipated in summer 2012, will seek National Energy Board approval on how the company will charge its customers for transporting their product through the proposed expanded pipeline.

For almost 60 years, the 1,150-km Trans Mountain pipeline system has been safely and efficiently providing the only west coast access for Canadian oil products, including about 90 percent of the gasoline supplied to the interior and south coast of British Columbia.

Kinder Morgan Energy Partners, L.P. (NYSE: KMP) is a leading pipeline transportation and energy storage company in North America. KMP owns an interest in or operates approximately 29,000 miles of pipelines and 180 terminals. Its pipelines transport natural gas, gasoline, crude oil, CO₂ and other products, and its terminals store petroleum products and chemicals and handle such products as ethanol, coal, petroleum coke and steel. KMP is also the leading provider of CO₂ for enhanced oil recovery projects in North America. One of the largest publicly traded pipeline limited partnerships in America, KMP and Kinder Morgan Management, LLC (NYSE: KMR) have an enterprise value of over \$40 billion. The general partner of KMP is owned by Kinder Morgan, Inc. (NYSE: KMI). Combined, KMI, KMP and KMR constitute the largest midstream energy entity in the United States with an enterprise value of over \$65 billion. For more information please visit www.kindermorgan.com.

This news release includes forward-looking statements. Although Kinder Morgan believes that its expectations are based on reasonable assumptions, it can give no assurance that
(more)

KMP – Trans Mountain

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such assumptions will materialize. Important factors that could cause actual results to differ materially from those in the forward-looking statements herein are enumerated in Kinder Morgan's Forms 10-K and 10-Q as filed with the Securities and Exchange Commission.

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